

## **Minutes of the Finance Committee**

**Wednesday, March 19, 2003**

Chair Haukohl called the meeting to order at 8:47 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Joe Griffin, Don Broesch, and Joe Marchese. Jim Behrend arrived at 8:59 a.m. Broesch left the meeting at 12:10 p.m. **Absent:** Genia Bruce and Mike Sonnentag.

**Also Present:** Legislative Policy Advisor Mark Mader, Administration Director Norm Cummings; Senior Vice President of Hutchinson, Shockey & Erley Dave DeYoung; Senior Financial Analyst Mike Baniel, Senior Financial Analyst Clara Daniels, Land Resources Manager Perry Lindquist, Parks Systems Manager Jim Kavemeier, Senior Financial Analyst Andy Thelke, Airport Manager Keith Markano, Airport Commission Chair Ray Perry, Information Systems Manager Mike Biagioli, Accounting Services Manager Larry Dahl, Principal Financial Projects Analyst Bob Ries, and Collections & Business Services Manager Sean Sander.

### **Approve Minutes of March 5, 2003**

**MOTION:** Marchese moved, second by Broesch to approve the minutes of 3/5/03. Motion carried 4-0.

### **Executive Committee Report**

Haukohl said the Executive Committee, at their last meeting, reviewed organizational and wording changes to Chapter 4 of the County Code. Major policy changes will be taken up at the March 24 and 31 meetings. They also reviewed two UW-Extension grant applications. One was for energy conservation education as part of the neighborhood revitalization project at Haertel Field and Phoenix Heights. A consensus of the committee didn't feel applying for this grant at this time was a good idea, primarily because grant money and staff time and effort should be concentrated in more than just these two residential areas. The other was for the Garden Gleaning Project (Nutrition Coalition related) which the committee supported because it would bring in extra dollars for a project we're already doing. Haukohl distributed copies of the Executive Committee's most recent correspondence list.

### **Schedule Next Meeting Dates**

April 2 and 16.

### **Read Correspondence**

Haukohl advised of a memo to Supervisor Dick Manke from Danni Caldwell of the Corporation Counsel's Office regarding a minor amendment to the lease terms at the Human Services smokestack, being requested by the lessee, AT&T Wireless.

### **Meeting Approvals**

**MOTION:** Broesch moved, second by Griffin to approve Marchese's attendance to municipal meetings on traffic safety within Waukesha County. Motion carried 4-0.

**MOTION:** Griffin moved, second by Broesch to approve attendance for any committee members wanting to attend the Criminal Justice Collaborating Council meetings. Motion carried 4-0.

**MOTION:** Broesch moved, second by Marchese to approve attendance for any committee members wanting to attend the Health & Human Services public hearing on April 9. Motion carried 4-0.

Behrend arrived at 8:59 a.m.

**Ordinance 157O- 136: Authorizing the Issuance of Not to Exceed \$13,500,000 General Obligation Promissory Notes for Capital Projects**

Cummings and DeYoung were present to discuss this issue and general information was distributed. The County's 2003 offering to the municipal debt market complies in every respect to the County's debt management policy. It is designed to produce level to declining debt service in recognition of the future capital needs of the County identified in the five-year capital plan. The issue is fully retired within ten years and has an average life of seven years, both well within the useful lives of the assets being financed. The sale of the issue is scheduled for April 8, 2003, to accommodate the County Board's regular meeting schedule. They anticipate a rate in the 3.25% to 3.50% range, even taking into consideration current international events. Cummings said a three-quarter vote on this ordinance is very important for flexibility purposes. Staff and the committee discussed strategy to encourage County Board approval, and in the event the ordinance didn't receive the necessary votes needed for approval. Cummings said his staff would help draft an informational memo from the Finance committee to the full board to be included in the board meeting packet.

**MOTION:** Marchese moved, second by Behrend to approve ordinance 157-O-136. Motion carried 5-0.

**Year-end Report on General Funds**

Cummings and Baniel were present to discuss the report as outlined entitled "2002 Year-End Budget Monitoring Summary Report – General Fund Operations." The preliminary unaudited year-end results showed an overall favorable variance of \$4.3 million or 4.1% from the modified budget. The 2002 expenditures of \$71.8 million, including purchase order/carryover commitments, resulted in remaining unexpended budget appropriations of about \$3.3 million or just under 4.4%. Revenues for 2002, excluding tax levy and planned fund balance use, totaled \$31.6 million, about \$1.0 million or 3.4% above the revenue budget. Each of the funds showed a favorable 2002 budget variance with the exception of Circuit Court Services showing a \$10,114 deficit.

**Ordinance 157O- 129: Authorize Department of Parks and Land Use to Apply for and Accept DNR Recycling Efficiency Incentive Grant**

Lindquist discussed the ordinance which involves applying for and accepting this grant. The Legislature concluded that recycling programs run more efficiently if they're multi-jurisdictional such as Waukesha County's. The County is automatically eligible because we have 25 communities participating in the Materials Recycling Facility (MRF). A total of \$1.9 million has been set aside by the State to be used statewide and Lindquist said they anticipate Waukesha County's grant total should be around \$100,000. The grant would first be used to cover tipping fees which will save the participating municipalities a significant amount of money. Lindquist noted that the grant could cover two to three year's worth of tipping fees. Any remaining funds would be used in the composting program to reduce the County's costs for getting the municipalities credits for the end product. The program is set up so that for every cubic yard of topsoil they produce, the County credits them \$6. This saves the County money on the mining contract because the County gets to keep more of the royalties for the rights to mine our property.

**MOTION:** Behrend moved, second by Broesch to approve ordinance 157-O-129. Motion carried 5-0.

**Ordinance 157O- 130: Intent to Participate in Negotiation and Arbitration Process for Expansion of Metro Recycling and Disposal Facility**

Lindquist said in August of 2001, Franklin Metro Landfill sent the County a notice that they would be expanding their facility. It looks as though they're changing their proposal because they've notified the County that they'll be proposing a new expansion. This must be within the 1,500 foot setback from the county line which statutorily, makes the County an affected municipality and, therefore, eligible to participate on the negotiating committee. Lindquist went on to explain the timeline for the negotiation

and arbitration process. Lindquist noted that these landfills are keeping the whole program off the County's tax levy.

**MOTION:** Behrend moved, second by Griffin to approve ordinance 157-O-130. Motion carried 5-0.

**Ordinance 157O- 131: Request and Accept State of Wisconsin Department of Natural Resources Funds for a Gypsy Moth Suppression Program**

Kavemeier said this ordinance is the same as last year's and they expect it will come forward each year. He said the moths are here to stay and this program is used to suppress outbreaks. By State Statute, counties are required to coordinate the activities of the Gypsy Moth Suppression Program. The County hires a coordinator who charges back services to the municipalities who've used those services. The municipalities also have administrative expenses that they can ask for partial reimbursement. This year, 11 municipalities (up from 4 last year) qualify for the program which involves aerial spraying.

It's estimated that the participating community's eligible direct spraying, project development and administrative expenses will be \$110,000. The 11 local municipalities will be reimbursed 50% or \$55,000 toward these costs. The County's administrative costs related to coordinating activities will be \$1,040. These costs will also be eligible for grant reimbursement of 50% or \$520. Sufficient 2003 budget appropriations exist to cover these expenditures.

**MOTION:** Broesch moved, second by Behrend to approve ordinance 157-O-131. Motion carried 5-0.

**Ordinance 157O- 135: Modify 2003-2007 Five-Year Capital Project Plan and the 2003 Capital Budget to Accelerate the Design for Runway 18/36 Reconstruction and Storm Water Master Plan and Modify Project Scope for Project 200308 Runway 18/36 Reconstruction to Include a South Perimeter Road**

Markano and Perry discussed this ordinance in detail as outlined. Markano said they are requesting to swap two projects which they believe is the best option because of some rapid deterioration of the infrastructure. This ordinance modifies the 2003 capital budget for capital project 200308 18/36 reconstruction, 200312 Storm Water Master Plan & Utility Mapping, and for capital project 200021 southeast hangar area Phase II. The ordinance also modifies the 2003-2007 capital plan in year 2004. The ordinance allows design work for the projects to be accelerated and it allows for possible enhanced future federal 95/5 funding, as opposed to 60/20/20. Markano said if for some reason enhanced funding falls through, they will fall back on what was planned – switching the two projects which were already in the capital plan at the 60/20/20 funding level. If enhanced funding is received, they will also receive retroactive 95/5 funding for planning and design to be done this year. Construction of the southwest hangar area is delayed due to less demand and the project's lower priority status for state funding. Additional project estimate modifications may occur as part of the 2004-2008 capital planning process.

Haukohl had concerns that the Land Use Committee wasn't assigned to this ordinance since it affects the Parks & Land Use Department. Markano said he would talk to Parks & Land Use Director Dale Shaver for any feedback or concerns he may have. Esler said it wasn't referred to that committee because it was thought that Shaver's department has already taken care of their portion of this project.

**MOTION:** Behrend moved, second by Broesch to approve ordinance 157-O-135. Motion carried 5-0.

**Ordinance 157O- 137: Modify Project Scope For Capital Project #200206: Fiber Link To County Facilities**

Biagioli said with the Sheriff's Department moving to mobile data computing in 2005, they knew they would need to prepare the radio tower with a fiber link in order to transmit more data. The City of

Waukesha and the Waukesha School District have partnered to add a fiber link to the radio tower and they invited the County to participate at a County share of about \$50,000. This will accomplish the need for a fiber link due to mobile data computing. Biagioli advised that this would have cost the County about \$185,000 had we done it alone. The County can take advantage of this joint project in 2003 by using the capital project savings, which are sufficient to cover the County's share, to re-install the fiber link to the Health & Human Services facility from the courthouse at a County cost of \$25,000. Phase I of the capital project provides for fiber optic cable to the Huber Facility, Expo Center, and the Transportation Garage budgeted at \$200,000 and \$210,000 in 2002 and 2003, respectively. \$176,000 is budgeted in 2004 for a second phase to provide a storage area network environment. Because of a partnership with city of Waukesha, actual 2002 expenditures were \$100,000, a savings of \$100,000.

**MOTION:** Behrend moved, second by Broesch to approve ordinance 157-O-137. Motion carried 5-0.

**Resolution 157R- 014: Recognize the Need for a Technology Review Process**

Biagioli reviewed the Technology Review Process as outlined in the resolution which had been presented to the Executive Committee in the preliminary stages in 2001. The Executive Committee had suggested that staff re-write the process to include all projects, not just Internet projects. The process was developed in order to establish a well-defined process to evaluate the impacts of using emerging technologies to extend and improve services available to Waukesha County residents, businesses, governments and other interested parties. A technology review committee will review initiatives that require Information Systems Division resources or other departmental resources that may impact countywide systems or infrastructures, for clarity and completeness. Those projects include those that are already approved, are undergoing scope changes or which require additional funding to continue. Technology projects will be tied to the County's annual budget review process. A technology steering committee workgroup, comprised of various department heads, managers, and a staff member from both the County Executive and Board offices (Mark Mader to be the board's representative), will be responsible for providing technology review and project priority recommendations to the County Executive for inclusion in the County budget.

**MOTION:** Broesch moved, second by Griffin to approve ordinance 157-R-014. Motion carried 5-0.

The committee recessed at 12:10 p.m. and reconvened at 1:10 p.m. Broesch left the meeting at 12:10 p.m.

**Contract Procurement Process for Banking Services**

Dahl and Ries were present to discuss this issue. The contract was awarded to Wells Fargo, the highest rated proposer, for a total five-year contact cost of \$288,965 (\$56,874 the first year). It's anticipated the County will receive \$2,375,000 in interest earning over the five-year contract, or about \$475,000 for each year. A total of 34 RFP's were sent to potential vendors and 6 were returned for consideration.

**MOTION:** Behrend moved, second by Griffin to approve the contract procurement process for banking services. Motion carried 4-0.

**4<sup>th</sup> Quarter Report on Investments**

Ries reviewed his reports as outlined which included information on valuation at cost and valuation at market, 1995-2002 summary of County investments, investment portfolios by investment advisor, total investment income, investment average quarterly rate, etc. Returns for the 4th quarter were 1.48%, up significantly from 1.05% the previous quarter. The main reason was that we realized a gain of \$485,370 on the sale of \$10 million of securities by Bank One in late November/early December. Staff moved \$48 million out of the County's money market accounts (due to low returns) and into the managed accounts

with the knowledge that the County would need to move \$10 million back to the money markets late in the year to meet normal operating needs. Originally, the money was supposed to come from Dana, but when the market changed and the value of the securities in the Bank One account increased substantially over what we paid for them, staff decided to have Bank One sell the \$10 million and use the gain to make up a potential shortfall in the interest income budget for 2002. Ries discussed this issue in detail.

#### **4<sup>th</sup> Quarter Report on Collections**

Sander reviewed his report entitled "Collections Division Delinquent Collection / Referral Analysis: 2002 Year-End Report." He said 2002 was their best year yet with regards to total collected. Total 2002 collections increased 28.8% from 2001 and 24% from 2000. Additional revenue sources identified and/or implemented by Collections generated \$772,492 of additional County revenues in 2002. Total collections in 2002 were \$2,117,258. This compares to \$1,643,706 and \$1,706,900 collected in 2001 and 2000, respectively. Of that, the total amount retained by the County was \$1,644,247 in 2002. This compares to \$1,328,291 and \$1,287,551 retained in 2001 and 2000, respectively.

#### **Future Agenda Items**

Overview of Information Systems Services and Organization (Biagioli)

**MOTION:** Griffin moved, second by Behrend to adjourn at 2:20 p.m. Motion carried 4-0.

Recorded by Mary Pedersen, Legislative Associate.

Respectfully submitted,

Joseph F. Griffin  
Secretary